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COMMENTS ON "THE JAPAN THAT CAN SAY 'NO'"

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Morita-Ishihara Controversy Continues

Ishihara's Explanation

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[Article by dietman and writer Shintaro Ishihara: "No Is No"]

[Text] In a previous issue of this magazine, I wrote that the death of Emperor Hirohito has ushered in a new era known as the Heisei Era. I believe that the new era name "Heisei" [meaning "the achievement of peace"] reveals a new role for Japan in world history. According to the Chinese Classics, the sources for the new era name, "In earth and in heaven, peace will be achieved," and there will be "Internal peace and external accomplishments." It can be said that these passages bring to light the future shape of world history, involving the formation of a new civilization, and revealing the strong connection between Japan's stability and development and the stability and development of the world. Indeed, this connection is not just something that will happen in the future, but has already begun.

It may be the first time for the Japanese people to play a role in world history. I believe that we have the capacity to play such a role, which also brings along with it responsibilities. However, this is not something that Japan can accomplish by itself, but will require the cooperation and understanding of other countries as well. I also believe that the United States of America will be an indispensable partner for Japan in playing its new role.

In times of peace, there are no sudden changes in the relations between countries, but at turning points during times of historical change, the changes become very obvious. People have an orthodox view of history and tend to be sensitive to the meanderings of history.

It has been too often said that during times of change, both nations and individuals are capable of finding reliable principles for evaluating and selecting the ways and means for developing the actual course of history. It is rather difficult to forget the lingering memories of the not-too-distant past. However, the past is nothing but the past. As long as what is most important is the certain future, even while we look back on history, we must turn our ears to the reverberations of the future more than those of the past. In other words, that's what it means to know history.

The Complete Translation That Was Passed Around To U.S. Congressmen

It seems that the root cause for the turbulence in U.S.-Japanese relations these days is the fact that the two countries do not have a proper understanding of each other's history. The 20th century, which is soon about to end, has truly been an interesting period. The modernism that has continued to the present is now finally coming to an end, and is already in the process of being replaced by a new civilization, as the century comes to a close. Moreover, during the 20th Century, which can be called the "age of ideology," the frictions between ideologies, those troublesome inventions of mankind, are finally being resolved, as evidenced by the obvious failure of socialism.

Liberation from the spell of the concept of ideology should stimulate a new form of human competition. No matter what form this competition may take, it should be centered on a new system of advanced technology which brings about changes in the definition of civilization.

It is not enough simply to acquire this new technology for the sake of acquiring new technology, but it should be combined with many other types of wisdom in order to determine how to put the technology to practical use, to decide what types of products to produce, and to decide how to produce reliable products which make efficient use of this new technology.

There is no doubt that the greatest method of the next century will be the conversion of the economy from a military-oriented one to a peace-based one, and this will involve the patenting of manufacturing processes themselves as high technology. Management technology, which includes human relations, will play an important role. A prerequisite for achieving the discipline of efficiency will be the transcending of old customs and ways of thinking.

In view of their current potential to produce a new civilization, I believe that the United States and Japan will be the two main players in the development of the new civilization. It has been said that the future world will be a five-polar one, with Japan, the United States, Europe, the Soviet Union, and China at each pole, but I don't think so. As a result of the integration of the EC countries, the Soviet Union and China will have to slip from their current position.

Also, the Pacific region, which lies between the United States and Japan, and Asia, especially Southeast Asia, with which Japan has deeper ties than any other region, will have a greater significance and value in the future world than they do now. In a sense, U.S.-Japanese relations in this new world structure will have a greater role in world production than they do now.

This is my fundamental view of the future world and my view of U.S.-Japanese relations within that future world.

However, I don't necessarily believe that current U.S.-Japanese relations are going all that well. Both sides bear responsibility for the problems that have occurred. It's not all Japan's fault.

The book that I wrote last year with Sony's Akio Morita, "The Japan That Can Say 'No'" is causing a great stir in the United States these days, and it seems that there has been an overreaction in Japan. Such a reaction of excessive inferiority to the all-powerful United States seems to be a typical Japanese phenomenon.

In any case, the fact that requests to publish translations have come from several countries, starting with the United States, indicates an unprecedented desire to communicate a message from Japan to the United States, regardless of how it is evaluated.

I myself have not read any commentary on the book other than the article that appeared in THE NEW YORK TIMES. Although I feel that some portions of that review require a response or clarification, I think it was a relatively dispassionate review. However, according to the Japanese media, there was a widespread strong reaction, and most of the reaction to the message was that it is an arrogant one. In general, the view is that Ishihara says that at the root of America's backlash at Japan is racial prejudice, and that Morita says that it is outrageous for America to complain that so many Japanese products are being sold in the United States.

As I see it, although the Americans may not like what Morita has to say, I don't think there is anything in what he has said that is wrong.

As for what I have said, I intend to answer my critics later, and offer them some new advice, but before I do that, there is one thing that I would like to make clear. I don't know whose idea it was to translate our book, but it was translated without the permission of Mr Morita and myself. I suppose that it would have been troublesome and time-consuming for us to have had it done ourselves, but since we don't have the money to commission a translation, we could have gone to the American Embassy to have it done. But an unauthorized translation was distributed to U.S. congressmen, who, upon reading it, labelled it outrageous, causing a great stir.

I told Chief Editor Matsushita of Kobunsha, the publisher of our book, that I thought the book should be translated and published in the United States. Thinking that the book would make some kind of a contribution to U.S.-Japanese relations, I encouraged Kodansha International, a company related to Kobunsha, to prepare an English-language synopsis. While this synopsis was being circulated among U.S. publishing companies, somebody decided to translate the entire text.

I have heard that it was Congressman Levine who had his staff translate the book, or that the U.S. State Department or Defense Department had it translated, but in any case, it was certainly a "pirated" translation done without the approval of the Japanese authors. It would be a different story if it were a matter of one or two parts being translated for reference, but the dissemination of this unauthorized translation to a large number of Congressmen who used it as material for political criticism, is a serious matter.

Mr Morita told me on the telephone that what happened was a clear violation of copyright laws, and that a lawsuit may be permissible. I am of the same opinion. Since I am a member of the Japanese Literary Association [Nihon Bungeika Kyokai], I am considering bringing up this case.

Especially in the United States, which is a culturally sophiscated country, the offender (?) [(?) in original] has the responsibility to clearly indicate his or her identity. Out of political necessity, the United States cannot condone the trampling on the proper rights of people of other nationalities.

If the United States appears to disregard this matter, it would be cowardly, and indeed, unfair. It would be nothing other than arrogance for the United States to take the attitude that it doesn't matter since it has to do with Japan.

In the well-known Toshiba case in which there was a violation of COCOM rules, laws that did not exist at the time of the affair were applied after the fact, and Toshiba was punished. In spite of the fact that this is a fundamental violation of the U.S. Constitution, it was decided that since the U.S. Constitution does not apply to foreign countries, Toshiba was found guilty. Can the matter be settled simply by saying that even though the United States has entered into international copyright agreements, it ignores foreigners? This is a matter of culture and good faith that comes before, and indeed, above, politics.

In the American spirit of good faith and fairness above all else, we would like to have this matter clarified.

According to reports in Japanese weeklies, English-language commentaries state that "Mr Ishihara's sentences ramble incoherently, the topics are without logical connection, and the text includes a large number of special Japanese expressions and proverbs that are difficult to translate without being too literal."

This is a great help! I have no idea what the Japanese-language capabilities of the translator were, but I am a Japanese, and I am a Japanese author who naturally uses Japanese-style expressions. Japanese proverbs are a symbol of Japanese culture, and whether or not the other person understands the meaning depends on that person's education. If these expressions are viewed as unpleasant or troublesome, it is nothing more than uncultured arrogance and an insult to Japanese culture.

Is It All Right To Sell Semiconductors to the Soviets?

Of course, if one focuses on only certain parts of the book, one will find places where I express myself poorly. If I had intended to have the book formally translated and formally become a topic for discussion, I would have added explanations to clarify the parts that might cause misunderstanding.

For example, regarding semiconductors, which are the "brains" of the fifth generation computer, which only is being produced in Japan, I certainly did say, "In sum, if America stopped using Japanese semiconductors, the accuracy of nuclear weapons (further improved in the future) could no longer be assured. It has come to the point that no matter how much they continue military expansion, if Japan stopped selling them chips, there would be nothing they could do. If, for example, Japan sold chips to the Soviet Union and stopped selling them to the United States, this would upset the entire military balance."

I still feel that what I said is true. Nothing makes this more plain than the reports by the U.S. Department of Defense on Japanese electronics which I cite in the book. These reports point out that based on the costs involved, it is questionable whether or not the United States will be able to produce a 1-megabit chip.

These days, Japanese facsimile machines have monopolized world markets, which are completely devoid of competition in this field. This is not because Japan has shamelessly trampled on the rest of the world, but because Japan's competitors did not anticipate the future demand for this type of machine, and neglected to develop this technology. Only France has prohibited the importation of Japanese products to protect domestic products, but as markets develop throughout the world, it could lead to misfortune for the French. The Pentagon's research reports may ultimately signal a similar fate for the United States.

Evidence for this is America's rather forceful trampling on Japan's claims, and the way it pushed the unprecedented difficult question of the FSX [fighter support experimental] fighter project, switching from domestic production to joint development, and the way it ignored the exchange of documents of the previous administration, and pressed for a clarification, after which it unashamedly pressed for procurement from Japan of the computer chips to be used in the jointly developed plane.

The statement that these chips, as well as the several-megabit chips that only Japan will be able to produce in the future, might be sold to the Soviet Union, rather than to the United States, was a provocative one even for me to make. However, I said exactly the same thing in Washington the year before last to some politician friends of mine just after the conclusion of the one-sided semiconductor agreement. At that time, a chill was cast over the party.

However, there is a reason why I made that statement when I did. At that time, Washington was in an ugly mood, particularly with respect to Japan, and congressmen and lobbyists were in a mood of "All right! Let's really give it to Japan now!" In the midst of this atmosphere, even friendly congressmen and their aides spoke to me in a somewhat hysterical manner. One of them came up to me and remarked, "The world is now undergoing a power shift, and this could lead to a decisive change in U.S.-Japanese relations."

I had already heard such sentiments voiced in Japan, but when I asked in puzzlement what that could possibly mean, I was given the plausible answer that it is possible that relations between the United States and the Soviet Union could suddenly improve, and that the partnership between Japan and the United States could be scrapped. So, just to be on the safe side, I laughed, and said, "In other words, the identity of the Americans and Soviets as white people would be resurrected." Upon hearing that, the other person nodded in agreement. I then said, "I have never been particularly fond of the Soviet Union, but if it comes to the point where Japan has to choose between the United States and the Soviet Union, Japan would certainly have a free hand. Not only that, but if the Soviet Union comes up with a shopping list in the new age, which might include high-tech items, they would also certainly have a free hand in choosing between the United States and Japan."

When I said that, the mood became one of tension being chilled by my words. The congressman who was hosting the gathering expressed his alarm, "Well, I think it would be rash to call for a power shift." However, thanks to such conversations, I made some new friends with whom I am able to speak frankly. It is because of such experiences that I have been able to take the pulse of America. However, the proof of the pudding is in the eating.

America's Next Target Is the Distribution System

I suppose that if they had been having the same conversation with a German or Frenchman, it would have been quite different. In the book I relate a number of experiences which I will not repeat here. In the book I describe the most unpleasant characteristics of Americans, characteristics that I have come to recognize based on my experiences.

As a politician, I believe that we should not loosen the relationship between the United States and Japan. For that reason, one topic I intended to address in the book was the issue of Japanese responsibility. One of the things that I certainly wanted to say was that Japanese politicians must clearly say "No" to the United States, but must also say "No" to certain Japanese individuals for the sake of the majority of the Japanese people.

As I said in the book, Japan's distribution system is too unfair. In some cases, it is downright diabolic. The fact of the matter is, that many politicians are deeply involved in this diabolic scheme. They may see it as just something embarrassing or even outrageous, but there have even been some cases in which people have been killed. Politicians cannot escape such dangers.

I once asked my friend Glen Fukushima, the assistant U.S. Trade Representative [USTR], what would be the next area the United States would prod Japan in. Laughing, he replied, "The distribution system. Sorry to say, but that's an area that Japan has to handle on its own. We can't do anything to change it." Unfortunately, I had to agree.

If we implemented a real streamlining of the distribution system, at least 30,000 new jobs would have to be found. This would certainly not mean sudden unemployment, and since Japan's latent employment is extremely high, jobs would certainly be guaranteed for those people.

Things are too expensive in Japan. It seems crazy to pay 500 yen for a cup of coffee in the urban areas. The cameras and cosmetics for which Japan is proud cost 20 percent more here than overseas. That shows how ridiculous the situation is. These high prices have been unashamedly pushed through at the expense of the consumer, and mainly the salaried workers who live in the big cities. This situation is due more to criminal negligence than to political malfeasance.

It can also not be denied that the premodern distribution system is a barrier to imports. It is unfortunate that no effort will be made to change the system unless there is criticism of it from the United States. It would be appropriate to say that American criticism is not so much criticism of Japan itself as of politicians in Japan's ruling party. My intention in criticizing the United States was not to avoid such responsibility.

Judgment of the recent consumption tax is being made only from the point of view of those paying the tax, while no consideration has been given to those receiving the benefits of the tax, a situation which leads to painful backlash. Faced with the justifiable anger on the part of the consumers and the United States, and faced with the destruction of the party, the ruling party should get its act together so that it will not be susceptible to complaints from outside.

My Bold Comments on the Issue of Racial Prejudice

Let us now take up the issue of racial prejudice. Nobody likes to have things pointed out by another person that one vaguely feels to be true. One wants to keep hidden especially the things that are just below the conscious mind. I may have broken that taboo, but I dared to bring out into the open an issue that relates to the relationship between two great countries.

At the Washington gathering that I mentioned earlier, a congressman friend asked me, "Is there some special reason why your pronouncements are so much more provocative than other Japanese?" I jokingly replied, "When I was a kid, an American soldier suddenly beat me for no reason."

That actually did happen. At that time, I was in the second year of junior high school, and living in Zushi, which at that time had a population of about 14-15,000. It was a quiet winter resort, but since there was an Imperial Army munitions warehouse nearby, a large number of U.S. military personnel were to be seen there. The Naval Club for navy officers, which was near the elementary school, was turned into a bordello for the U.S. military.

Close to the end of summer, I was walking home from school along the shop-lined street of a small town, when three young American soldiers, licking some ice candy, approached me. Since it was still only the year after the end of the war, the townspeople would move aside when they saw the Americans coming, yielding the street to the new rulers. Those young soldiers seemed to enjoy this greatly. Out of spite, I kept walking straight, pretending to ignore them completely, until I came up right beside them. The soldier at my side, probably thinking me impertinent, suddenly stuck me in the cheek with his ice candy. Still, I ignored this provocation, and kept walking straight as if nothing had happened. I was well aware that the townspeople were holding their breath while watching me, and strangely, I remember how painful this experience was.

When I recounted this story to the congressmen, they seemed to be uncomfortable, and I felt as though an evil spirit had passed, so I said, "This is a true story, but I told it as a joke, so don't take it too seriously. I myself don't feel too badly about it any more. By the way, after that incident, I was crazy about American popsicles." Then I said, "Although I'm not obsessed with the incident, I'll never forget it as long as I live. How could I forget it?" Then there was silence. After a few moments, one of the people in the group asked with a straight face, "About that incident. Was the GI who stuck you black?" I replied, "No, two of them were blond, and the other man had red hair. He also had freckles."

That person had asked a telling question. There is no doubt that out of his friendship for me he had unwittingly revealed his true feelings.

The Scene Changes While the Audience Is Crying

I don't deny that it was mainly, although not exclusively, white Europeans who created modernism. I think it is natural that one should take credit for one's achievements in human history, especially for things achieved within one's own lifetime. Before the dawn of modernism, Japan was a country that possessed a culture and civilization with high absolute values, even when compared with other countries, but because of this, Japan became aware of the significance of modernism early on, and made efforts to absorb it. Because of its high cultural level, Japan succeeded in achieving modernization, even though it had gotten a late start. However, with the exception of Japan, the nations of peoples of color were colonized by white people, and these nations did not become modernized like Japan, which had its own colonies. Speaking of colonialism, the Japanese are the only people of color to have played the role of aggressive colonizers.

The majority of colored races and nations, who were not up to the historical task of modernism, were ruled as colonies, and placed in an essentially medieval master-slave relationship with the colonial powers. Although the accompanying strong superiority complex, indeed, the disdain and contempt that the colonial powers felt is no pleasant thing, I think it is extremely natural. One might even say that this prejudice has a certain historical appropriateness.

However, of those peoples who have been the object of such prejudice, only the Japanese have tried to outstrip their masters in certain high-tech fields which form the nucleus of a new culture derived from modernism. The historical sentiments of the colonial powers are hardly pleasant ones, and it may indeed be that they even feel a bit of the absurdity of it all.

However, many white people seem to feel that modernism has not yet ended, and is still continuing. This is a matter of one's view of history, but I believe that the modern age has already ended, or at least is on its last legs.

In other words, this may be a sign of the inevitable prolonging of the psychological structure that is the product of a period that is already becoming passe, but they may think it outrageous to hear such words coming from the mouth of a Japanese.

When I speak of their racial prejudice, it seems that they want to label me arrogant. Repeatedly asserting that something is when it isn't may be something more than arrogance, but isn't it true that disdain and contempt for colored people is central to American whites? There is no better way to answer this question than to ask the various colored peoples who have U.S. citizenship, such as black Americans, Asian Americans, Hispanic Americans, and

native Americans. If they said there was absolutely no prejudice against them on the part of the whites, anyone would find it laughable.

I think that, because of their experience of tumultuous cultural exchange, Europeans are better able to relate to this issue than American whites. For example, there is "Japonisme" in modern painting, and even though this influence is not deep, a certain limited number of people have sensually and humbly accepted the existence of high absolute values from a world with a different appearance.

The Americans differ from their relatives in the old country. It seems that although they see themselves as the remnants of a rarified European civilization, they are not concerned with the same cultural issues.

Nevertheless, however, although they may not want to admit it, if one says that something that isn't is, this is an affront to the other person, and if, when the other person changes his attitude in response, one calls him arrogant, that is in itself arrogance.

The great ebbs and flows of history have conferred superiority or inferiority at different times to each nation and people, and if one tries to go against this principle of history, one will get nowhere. These are not the words of a song, but: The scene changes while the audience is crying. Indeed, this describes the world now.

Americans may not want to be persuaded by the Japanese, but more than any other two nations, the partnership between the United States and Japan brings with it a responsibility as the new leaders in this stage of world history. Although we may call ourselves leaders, you may object and say that we are not. Such differences could lead to an unfortunate split or confusion in the future.

When they spoke of a power shift earlier, they were referring primarily to the United States. They may believe that the Soviet Union and perhaps also Europe will play a leading role in shifts of power, but they view Japan in a stereotyped fashion, as simply being under the influence of the United States. Most Americans view Japan as having no global political ideals, but such a view is inferred from the current politicians and bureaucrats. They must realize that a new breed of Japanese are now coming to the fore.

The new Japanese technology is now starting to give rise to a new image of man. For example, it was a young specialist in electronics, rather than an economist or bureaucrat, who told me that if superconductivity, which only Japan is developing, is perfected and used together with materials that are cheaper than helium, and if Japan patents the manufacturing processes for these products, Japan will be able to control the world economy. I learned that the new system of technology will have a decisive impact not only on linear motor cars, but on all electrical power and electronic technologies. I believe that it will be due to the joint efforts of these young people that these technological concepts will be combined with Japan's own new political ideology.

However, most Japanese and Americans are not aware that Japan already has the potential for such a new civilization, including the economic aspects.

America's Unreasonableness in the FSX Affair

I don't quite understand what THE NEW YORK TIMES article was referring to when it said that there is no basis for what I say in the book, but I see this as yet another example of the arrogance and unfairness in U.S.-Japanese relations, characterized by American racial prejudice. In other words, I don't think that other advanced countries have the same kind of troubles with the United States that Japan has.

I mentioned earlier the fact that the U.S. Constitution does not apply to Toshiba's violation of COCOM [Coordinating Committee on Export Controls] rules. Without a doubt, Toshiba's violation was a breach of faith of a friendly country, but it was confirmed that there was no direct connection, not even chronological, between the export of those machine tools and the dramatic reduction in noise of the propeller screws of Soviet submarines. After this was determined, Undersecretary of Defense Armitage wrote a formal report on these findings to the U.S. House of Representatives, but no official contact was made with the Japanese Government.

When Japan was forced into making unilateral sacrifices for the sake of compromise in the FSX project, the U.S. Congress, which made a lot of noise about it afterwards so as to invent a pretext for a quarrel, made use of its specialty, demagoguery, to criticize Mitsubishi, one of the possible partners in the FSX project, for cooperating with Libya, which the U.S. hates so much, to build a poison gas factory. They tried to stop the FSX project, from which they actually had a lot to gain. When the surprised Departments of Defense and State, acting as intermediaries, found that there was no basis for these accusations, the other side, rather than apologizing or trying to explain the misunderstanding, swore unilaterally that it would not participate in the project in the future. If one party calls the other a thief, then later finds out that it isn't the case, and instead of apologizing, says that because the other person is a suspicious character, and warns him never to steal in the future, one can only call this a peculiar way of acting.

Although the per-plane cost may be slightly higher, let's go ahead and build a domestic fighter plane that will be a world leader for a long time to come. This project, which would provide Japan's defense with a stronger deterrent force, and increase Japan's independence in defense, was initially ridiculed, under the assumption that Japan was incapable of such an undertaking. However, when people realized that Japan could probably build such fantastic new weapons, suddenly the tune changed, and there was raised the specter of what Japan could do with independent arms-producing capability. Then, a compromise was reached whereby Japan would make improvements on an existing plane which had performance that was quite inferior to that of the proposed new plane. This should have been a great foreign policy victory for the Reagan administration, but when the new Republican administration took over, similarly uninformed congressmen, who knew nothing about

Japan's technological capabilities, opposed the new compromise, claiming that the United States would lose, and that only Japan would stand to gain.

This put the Governments of both the United States and Japan in an embarrassing position. However, the uproar in the Congress only grew louder, and the pressure of these voices brought about an unprecedented reversal, so that Japan had to formally declare its position on the new conditions placed by the U.S. Congress for an agreement that had already formally been made between the two governments. Thus, Japan's point of view was taken as verbal approval of the measures taken by the U.S. Congress. Is this any way for a country to conduct its foreign policy? Both countries are at fault here, both the country that is doing the pushing, and the country that is pushed.

I have already written in the July issue of CHUO KORON on this issue in detail, so I ask you to refer to that article. I would like to mention, however, that the negotiations discussed the following:

(1) All of the relevant Japanese technology would be given to the United States free of charge.

(2) Japan would pay patent fees and licensing fees for U.S. technology.

(3) The United States would place various limits on the technologies transferred, and would not transfer all of the technologies desired by Japan.

(4) The United States would be allowed to use all of the Japanese technologies.

(5) Japan would not be allowed to divert any of the technologies to other purposes.

Surprisingly, Japan did not say "No" to any of these, but was steam-rollered into accepting all of them. As a result, the United States can receive from Japan free of charge any of the technologies necessary for the new ATF [advanced tactical fighter] fighter plane that it is planning to develop.

One claim made by the United States is that if joint development is carried out, Japan would use the experience gained from the project to enter into the field of commercial aircraft, which is now monopolized by the Americans. However, it is absurd to think that the aircraft technology used for such advanced weaponry could be directly applied to the production of commercial aircraft. In light of the slipshod manner in which Boeing's planes are made, which has caused several accidents this year, I think Japan should start producing commercial aircraft, since we don't want to lose any more lives than we already have. However, looking at the U.S.-Japanese Aviation Agreement as a symbol of unfairness, and the U.S. monopoly on commercial air routes, it is impossible to avoid the monopoly of these dangerous U.S.-made aircraft. Even the poorest junior high school student would never approve of the results of negotiations such as those of the FSX project. Such an agreement would not have been made if it had been any country other than Japan.

Furthermore, Japan was forced into agreeing to supply a certain amount of work to a foreign country, and to produce a lot of new products in the name of product enhancement, without really knowing what the final result would be, or where the project was finally headed. Since both the LDP and the opposition parties had not studied the issues sufficiently, it did not become a problem in the Diet, but questions did arise when it came to auditing. Nonetheless, this one-sided arrangement did not become controversial. The U.S. Congress claimed that Japan kept silent in order to reduce its trade surplus, and would continue buying the old F-15 and F-16 fighters that it no longer needed. Has Japan been reduced to nothing more than a vassal state of the United States?

Well, that does seem to be the case, as far as defense is concerned. In other words, since the United States cannot rein in Japan in the economic realm, it holds control over Japan's defense, which is vital for it as a nation.

I certainly don't mean to forget how much the United States has done for us, but is the United States' claim that it is protecting us still valid today? I think there are almost no experts in Japan's Defense Agency who feel that Japan is protected by the United States. Of course, the U.S.-Japanese Security Treaty was necessary at the time it was arranged, but the conditions under which the agreement was made have long since changed.

I'm not going to go into this in detail, but any U.S. military man would admit that the reason why the United States has large military bases in Japan is that they are indispensable for America's global strategy, more than for Japan's sake. It is no surprise that the amount Japan budgets to offset the cost of stationing U.S. forces in Japan keeps increasing each year. But actually, if one were to calculate the need for bases for both the United States and Japan, I think Japan would have to start collecting fees from the United States. Given the current situation, if one expected to increase defense independence using conventional technology, the endeavor would surely end in failure.

We Should Say What Needs To Be Said

However, I suppose all of this is a natural consequence of the character of the United States. The article titled "Containing Japan" by James Fallows, who lived for a long time in Japan, shows the true colors of America the superpower.

In the article, Fallows writes, "Unless Japan is contained, therefore, several things that matter to America will be jeopardized: America's own authority to carry out its foreign policy and advance its ideals...to do many of the things a leading power should do—explore space, improve its schools, maintain its military bases in Japan...." I think this represents a straightforward recognition of reality as far as American bases is concerned. In other words, the United States is keeping an eye on Japan by stationing its bases there.

In any case, it may be an exaggeration, but it is only the United States that believes its ideals are absolute, and

the symbols of its authority are sometimes eyesores to the surrounding area. At the end of his article, Fallows writes, "...we do have the right to defend our interests and our values, and they are not identical to Japan's." If that is the case, then I would like for us to defend our values, if we have to, from the United States. There are, after all, cultural issues involved here, too.

Mr Fallows wrote that activities such as space exploration are things that must be done by great powers like the United States, but even Japan would like to do great things like launch its own excellent satellites, even if it doesn't go so far as to send a rocket to Neptune. However, the United States would not permit Japan to join in plans for building a spy satellite better than what the United States already possesses.

There is much more to say on this subject, but the fact of the matter is that all attempts related to U.S. international strategy have been completely obstructed. It is somewhat off the mark to call Japan an equal partner.

I have high hopes for a kind of "G-2" arrangement, consisting of a conference on the structure of U.S.-Japanese relations, in which the United States directly takes Japan to task. Some people say that this requires intra-negotiations, but I do not think so. This is just the way Japan is. If the other side wants to check Japan, then Japan should state clearly what it needs to say, and should check the other side.

The United States has six items that it wants Japan to liberalize, but as a Japanese, I view the "Issue of Japan's distribution system" as quite strange. How many Japanese would welcome a streamlining of the distribution system? The imbalance between savings and investment is related to the issue of land prices, but this is a matter of distribution in Japan, and it would probably be quite difficult to find common ground.

"The elimination of exclusionary business practices" is also a question of differences in values related to the two cultures. T. Boone Pickens, who was also a corporate raider in the United States, came to a stockholders' meeting to buy up shares of one of Toyota's subsidiaries, but things did not go as he had hoped. When he returned home, he complained to the Congress, as usual. It is not clear what he wanted, but if he wanted Japan to manage things as in America, including dealing with stockholders, such a demand should be rejected. Akio Morita's sections accurately describe the kind of results that can be expected from the American management style.

According to an acquaintance of mine who set up a U.S. subsidiary of a medium-sized company, capital and management are too far apart in the United States. He said that it is not true that this separation works up to a certain point. I think that kind of an honest and accurate realization is obtainable only by one who has spent a whole generation building what he has today. This person said regretfully, "I don't think that Konosuke Matsushita would be called the "god of management" in the United States. I don't think even Matsushita would have gotten as far as he has in the United States." This left quite an impression on me. Thus, the existence of exclusionary business practices is really a matter open to interpretation.

Another item, namely, the closed financial circles in Japan, may well be a historical Japanese phenomenon, but I think the details of the system should be made public. If the financial system continues to be closed, it will be nothing more than a kind of insider trading.

Another issue is the pricing structure in Japan. This is another example of differences between Japan and the United States, not so much in the area of customs, but in the realm of human feelings. Japanese tend to look at the long term more than Americans do, and consider the position the other party is in, and want to give the person a chance for the future, so they often lower prices. If one were to look at this from a purely rational standpoint, one would find it troublesome. However, we must also mention the double pricing which makes fools of the consumers. The truth of the matter is that it is cheaper to buy Japanese goods at foreign retail stores and reimport them into Japan than to buy them in Japan.

I think that the Fair Trade Commission, which has to do with the Act Concerning Prohibition of Private Monopoly and Maintenance of Fair Trade, is a bureaucratic nest, and isn't completely functioning. I think that the criticisms from foreign countries, namely, that it does not adequately keep an eye on the cartels, is correct.

We highly regard managers such as Konosuke Matsushita, and would like to have a society in which people like him can succeed. Mr Matsushita is the symbol of the so-called "Japanese dream." I think that we should not say that the aforementioned problems are to be dealt with through domestic negotiations, but rather, through consultations between the United States and Japan. The other approach is wrong and only weakens the companies.

The Problem Is the Competitiveness of the U.S. Economy

In the course of U.S.-Japanese Structural Impediments Initiative (SII) talks, Japan should bring up a number of sore points, such as the low level of American education, and the extremely low level of human capital investment in American companies. The cause for these problems is the class system in the United States, but surprisingly, the elite Americans who appear in the negotiations are not aware of this.

Nonetheless, no matter how correct these criticisms of the United States may be, Japan will continue to avoid speaking out, and will be steamrollered at these SII talks. In other words, just as we have seen in the past, problems will be solved by external pressure, but actually, the United States doesn't seem to realize that as a result, Japan's economy and industry will become streamlined and further strengthened.

There are many who welcome this pressure from the outside. Take, for example, the case of the Motorola car phones which entered the Japanese market. There were a lot of problems with the Japanese-made car phones, and the consumers were not at all satisfied. Nonetheless, the

old-fashioned way of thinking of the Japanese Ministry of Posts and Telecommunications contributes to the lack of international fair competition in this field by controlling the radio waves. Yacht racers such as myself, who race in foreign-made yachts have been vexed with the problem of the difference in radio frequencies between the United States and Japan. Instead of viewing radio waves as something that anyone can use and can save lives in emergencies, the authorities feel it is better to protect the radio frequencies and to keep them closed to the common people. When Motorola complained that they were being locked out of the car phone market, the market was opened up only outside of Tokyo, where there are very few users of car phones. This makeshift way of dealing with the issue quickly became public knowledge. Was this done to protect the interests of the people?

Upon hearing me say this, you may at first feel some ambivalence, and you may wonder whose side I am on. But just because I am a Japanese politician, that doesn't mean that I say things without thinking first.

What I must in the final analysis say to the United States is that as far as economics is concerned, the number one issue is not Japan's economic strength, but rather, America's weak competitiveness. At first glance, this looks like a relative question, but I believe that many of the issues involved here are bilateral, and if Japan concedes to the external pressure from United States in the areas in which American complaints are justified, I have no doubt that Japan's industrial economy will grow stronger. If you don't believe me, just look at how the Japanese economy has been strengthened each time external pressure is brought to bear.

If that is true for one side, then it should be true for the other as well. However, will there actually ever be bilateral concessions? I would really like to see the United States do some self-examination as a result of negotiations for solving trade frictions with Japan, and make a comeback as a strong economic superpower. Such a comeback would aid greatly in the building of the high-tech potential that is needed to construct the next civilization for America.

As long as the United States is a mixture of many peoples, and as long as a large number of white managers employ a large number of non-white employees, there is no way American-style management will be able to increase its effectiveness. The technology that it has taken such pains to develop will only become useless. If U.S.-Japanese structural talks were conducted with these things in mind, the results would be quite different.

A Necessary "No" Is a Firm "No"

Another thing that I find regretful about present-day America as I see it is that the America which developed under the slogan of equal opportunity is now advocating equal results. I think what they are calling for is identical conditions. I would like to see that too. Especially with regard to economics, our most basic problem is that we must clearly open the gates, rather than use an escape route, as long as there is no danger to our way of life, in other words, our culture. But if the Americans do not see the value in Japanese-style management, and do not listen to the advice from the Japanese, it is not our responsibility if the economy declines.

I don't think that the management principles proclaimed by many American managers, nor their attitudes and way of thinking about the company, nor the way they view their employees, are all valid in the modern world, which has become smaller, and offers fiercer competition. I think that Mr Morita's criticisms and observations in this area are appropriate, and quite valuable. However, the Americans find it quite unpleasant to hear such things from the Japanese.

Almost all of the latest semiconductors, which have made the hydrogen bombs possessed by the U.S. and Soviet nuclear superpowers obsolete, as well as the advanced multi-megabit LSI's [large-scale integrated circuit] are being developed only by Japan. If the other countries could not produce their own chips, and if Japan had its own global ideal, this ideal could be promoted, so that Japan would be the vehicle for fulfilling the meaning of the new era name "Heisei" ["the achievement of peace"]. If other countries cooperated with Japan, the end effect would be a system of checks and balances.

If the Japanese people had a new view of the world differing from their traditional self-serving image, and if they had a reliable consciousness of world history, then a rebirth of the "Greater East Asia Co-Prosperity Sphere" or the justification of the war fought in the 1930's would be viewed as evidence of a paucity of imagination regarding human history.

There is no need for us to have our consciousness, responsibilities, and rights as a nation and as a people, as regards the future of the human race, obstructed by anyone. The advanced technology of Japan, the only country in the world to have experienced the tragedy of the atomic bomb, is now on the verge of disarming the nuclear warheads of the superpowers. Shouldn't this be a joy to our people? Actually, it is not a thrilling revenge. Instead of reading "We shall never make this mistake again," the epitaph on the atom bomb memorial should read "They should also never be allowed to make this mistake again."

I may be repeating myself, but Japan must have its own principles relating to world politics, and I think that it can. This means that Japan should not simply follow the United States or depend on the United States for its existence. And I don't think that having its own principles is overconfidence or arrogance or a dangerous nationalism.

Japan's achievements during the Heisei Era may come in conflict with the antiquated world strategy of the United States, but we must continue to see our contributions carried through. In order to do this, I think that a necessary "No" must be a firm "No."

However, it is quite clear that we cannot suddenly lose the United States. In order to say a clear "Yes" for the sake of a harmonious and mature bilateral relationship, Japanese politicians must first have the courage to say "No" to their fellow Japanese.

If Japan adopts this attitude even half-way, it will no longer be the case that only Japan is threatened by selfish laws such as America's "Super 301," which is clearly contrary to the spirit of GATT in the previously mentioned telecommunications negotiations. I think both sides need to calmly ascertain whether or not they have long-held prejudices, and whether or not they are adhering to outmoded concepts and systems. Now is the time to affirm a new mode of bilateral cooperation. Unless we do this, we may lose our grip on our role in future world history.

(Note: This is an unusual postscript, but the author has written another article on U.S.-Japanese relations appearing in CHUO KORON. The article examines the fatal flaws of the approach to foreign policy advocated by Japan's Ministry of Foreign Affairs. Please read that article in conjunction with the present article.) [article not included]

Sony's Morita Speaks

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[Talk by Sony Chairman, Akio Morita: "What I Really Wanted To Say"]

[Text] The book "The Japan That Can Say 'No'" (by Shintaro Ishihara and Akio Morita, and published by Kobunsha) has caused quite a stir in the United States. An English translation was distributed at a press conference held before a Congressional hearing on high-definition TV (HDTV). Some of the Americans who read it labeled it "anti-American." The fact that the book was translated so quickly in the United States is one indication of how keenly interested Americans are in Japan. It must be pointed out that the translation was done without our approval, making it a so-called "pirated edition."

The origin of the book is that Mr Ishihara occasionally gives speeches, and I have also spoken on some of those occasions. A publishing company read the shorthand transcripts of the talks, and finding them interesting, asked us if we would consider turning them into a book. The two of us held another lengthy discussion in which each of us spoke at length on a particular subject, rather than taking turns as in a debate. Even in the speeches appearing in the book, we took turns addressing issues and questions. It was in that style that the book was put together.

Thus, the composition of the book was not a dialogue, but rather that of a "relay essay." Mr Ishihara gave his point of view, and I gave mine. The parts that were clearly critical of the United States were the same as those that appeared in my book "Made in Japan" (published by Asahi Shimbunsha). But there was also criticism of Japan that I hardly touched upon in "Made in Japan." For example, Japanese companies in the United States must make greater efforts to become part of the local communities. When there are PTA meetings, rather than attending as a couple, as Americans do, only the Japanese wives attend, and chat among themselves and then return home. I think that's a shame. I wouldn't go so far as to say "When in Rome do as the Romans," but Japanese companies should not neglect community service. The Japanese Government is receiving a lot of requests for aid. Japan has to think more of its role in the world. For example, of 18 countries in the world, Japan ranks 15th (1986) in the percentage of GNP devoted to ODA (Official Development Assistance), and Japan ranks the lowest among developed countries (1985) in the area of so-called "untied" grants. It may be due to the influence of Christianity, but the United States takes charity very seriously. Americans believe that we should help those in need, and that those who ignore and do not help those in need are bad. Although Japan was helped in its time of need, it does not help those in need, even though it has become wealthy. There are those who react to this by saying that Japan is bad. I make such criticisms of Japan in "The Japan That Can Say 'No.'" I have the impression that Americans have understood this much, and articles appearing in TIME, THE NEW YORK TIMES, and FORTUNE, report that what I have to say is reasonable, as far as these areas are concerned. Normally, Japanese foreign correspondents do not like to make a great fuss about things, but one Japanese newspaper reported that "U.S. Government and Congressional officials view Mr Ishihara's tone as being one of 'overconfidence,' and since he has collaborated with Sony's Chairman Morita, the political and financial community is making a public warning concerning Japan's grand strategy for world hegemony in the field of advanced technology." I think that's going too far. If we had published a book about world hegemony, there would be nothing more to say. I suppose there are people who say that Morita and Ishihara have joined forces to launch an attack on the United States, but that is a complete misunderstanding.

"No" Has Two Meanings

If you ask me, I will tell you that the title "The Japan That Can Say 'No'" has two meanings. One of them is saying "No" to the United States. In other words, Japan should straightforwardly say what it thinks. The other one is saying "No" to Japan. Japan should stand in the other country's shoes, and be responsive to the criticism made of it. These are the two meanings of "No."

Saying "No" is a clear expression of one's intentions. We all know that Japanese people do not like to disagree with their friends. Americans, on the other hand, tend to differ in opinion the more friendly they are with each other. Americans separate friendship and opinions, saying "I think your idea is ridiculous. Here is what I think."

I have traveled between Japan and the United States numerous times, and consider myself rather knowledgeable about both countries. In order for Japan to explain itself to Americans, it must say, "This is what Japan thinks.... It's not only Japan that is at fault.... You Americans are also to blame...." For the sake of improving the current situation, when Americans speak to the Japanese, they should say, "There are also things that Japan must do.... There will be no improvement if you keep saying only America is to blame...." I think my job is to help the two countries communicate in this

manner. In order to bring the two countries a little closer, and to really deepen the relationship between them, both sides must communicate with each other. I know I am in a difficult position, but I accept my role as a facilitator of communication. Since the book "The Japan That Can Say 'No'" was intended for consumption within Japan, it was written with primary emphasis on Japan's responsibility, as described above. I trust that both Americans and our Japanese readers will understand this.

Are the United States and Japan Playing Different Games?

I have the impression that the feeling in America about Japan has worsened over the last few years. It is especially bad in Washington, where the atmosphere in the Congress is the worst. Next is New York, where even supporters of Japan in the financial world say that something has to be done about Japan. When one goes into local areas, however, Japanese companies are warmly welcomed, indeed, enticed. The atmosphere is completely different.

Recently, even in the United States, there is some evidence of a realization that the reason why the imbalance in trade with Japan is so hard to correct is also due to problems in American industry after all. For example, Senator Bentsen, the democratic vice presidential candidate who repeatedly criticized Japan during the election, made a speech in San Francisco in July, in which he quoted me as saying, "American management thinks in the short term, and must change to think in the long term." Also in July, U.S. Budget Director Darman criticized America's living for the moment, calling it "now-now-ism." In his talk, Darman discussed not only the U.S. Government's financing of expenses by going into debt, but also the pattern of the American lifestyle, which puts consumption ahead of savings, the drug infestation, and the crumbling of the education system. He warned, "Unless we change this value system of now-now-ism, America will lose its historical position." Thus, some leading Americans are pointing out areas on their side that call for rectification.

However, overall, the imbalance still continues. There is no doubt that since no results are forthcoming from Japan, things become very emotional, since the United States is a country where public opinion is strong. Public opinion swings like a pendulum. Once it starts moving, it does not easily return to where it was originally. Some U.S. congressmen say that from the start, Japan has been playing the same game by different rules, but some say that although they may be playing in the same stadium, they are actually playing a different game. They say that it's as if we intended to play baseball, but the Japanese are playing basketball.

According to a poll taken by BUSINESS WEEK (7 August issue; a nationwide telephone interview with a randomly selected sample of 1,250 persons), when asked "If you had to say, which do you now think is a more serious threat to the future of this country—the military threat from the Soviet Union or the economic threat from Japan?" 22 percent responded the military threat from the Soviet Union, while 68 percent responded the economic threat from Japan. Similar figures can be seen elsewhere these days. The Soviet Union has long been an evil, frightening nation. Even though the Soviet premier visited the United States, Americans have always felt threatened. But I don't think there is anyone as good at PR as Gorbachev.

When Prime Minister Kaifu recently visited the United States, his visit was highly appraised. I also heard that Mrs Kaifu made a good impression. What particularly impressed me was when they arrived in San Francisco, Mr Kaifu emerged from the plane holding his wife's hand. There aren't many Japanese prime ministers who would do that. Until then, the prime minister would walk in front, and his wife would follow behind him. But Mr Kaifu properly held his wife's hand. I think that in itself should be enough to show Americans that Japan has changed. Prime Minister Kaifu is young, and there are even some who think he is in his thirties. Mrs Kaifu spoke in an impressive manner, and was well received by the Americans. I also think Mr Kaifu made a wonderful impression on his first visit to the United States.

However, Mr Gorbachev was even called by the nickname "Gorby." When he came with his wife Raisa to the United States, unfortunately, he received far more attention than when the prime minister of Japan visited, and there was a vast difference in how the two visits were treated by the media. Looking at Gorby, one had a sense of familiarity, a feeling that the Soviets are not all that different. Raisa also appealed to the Americans. Thus, although the Soviets are playing an entirely different game, it seems not to be the case...one might even feel that they are playing the same game by the same rules. I think the Americans were left with the impression that the Japanese are foreigners playing a different game, and present a threat.

Issues To Be Discussed in the SII Talks

Over the past 10 or so years, whenever trade imbalances occurred, starting with the textile negotiations, the United States demanded that Japan take "dramatic and drastic" measures. If one thinks about it, Japan's response to U.S. demands has certainly been dramatic. Over a number of years, the door has gradually been opened, and looking at the results, dramatic changes have taken place. However, since the concessions have been small, they do not appear to be so dramatic. I suppose it would have had a more dramatic effect if the curtain had been opened all at once, instead of little by little.

I actually met Clayton Yeutter at an international conference recently in the United States. When he was the United States Trade Representative (USTR), he was an ardent critic of Japan. However, as Secretary of Agriculture, he told me, "Mr Takeshita really did a lot to liberalize those 12 agricultural products. I thought it was great. Compared to Mr Takeshita, we don't get anything from the Europeans."

There was also a group from Europe at the conference, and Mr Yeutter gave a positive assessment of the position of Mr Takeshita and Japan. However, Japan took a long time to get as far as it did. I suppose that if Japan had liberalized everything in one stroke many years ago,

America would be even more grateful, but due to the nature of Japanese society and the structure of Japanese companies, "dramatic and drastic" things are not very easy to come by. I think that may be both a drawback and an advantage of democracy. In a dictatorship, if the order is given to liberalize, then there will be liberalization, but actually, it is the strong point of democracy that change does not come about that simply. However, in response to America's demands for "dramatic and drastic" measures, Japan's posture is "too little too late" and the concessions dribble out, little by little. From America's standpoint, Japan moves if it is hit; it does not move if it is not hit. For example, even in the car phone negotiations, the Americans were originally told that there was no way, but when the Japanese were pushed, the American demands were met. One Japanese politician has said that if you say you won't give in, then you must say you won't give in even till the day you die, but if you say that you will absolutely not give in, even while engaging in slippery negotiations, you will ultimately make some compromises, which will be called a political decision. Accordingly, as long as the United States keeps pushing Japan, I don't think things will open up in conventional negotiations. In fact, I think Japan's frame of mind will become even stronger.

Let's get back to the question of the SII talks. America's assertiveness is result-oriented. Although Japan comes up with all kinds of explanations, the result is always that the U.S.-Japanese trade imbalance does not go away. Although this is a serious matter, if we cannot see the results, it seems to be beside the point.

Since the United States is a free country, Americans are not going to try to reduce the number of things they buy. Americans, by their very nature, do not like trade to be managed more than it already is. Thus, in order to correct the trade imbalance, Japan has to increase its imports. The American position is that the reason why imports into Japan do not increase is that the Japanese system is bad, the Japanese social and economic structures are bad, and thus, under the title of "Structural Impediments Initiative" (SII), the United States is making a number of requests of the Japanese Government relating to structural issues.

What has struck me about these SII talks is that, when one looks at U.S.-Japanese negotiations held so far, they are always carried out according to the agenda of the Americans. If the Americans want to talk about semiconductors, then the focus is on semiconductors; if the Americans want to talk about market share, then the focus is on market share. I suppose the SII talks will follow the same pattern. I have the impression that somehow Japan is always drawn into following America's agenda, and makes efforts to oblige the United States each step along the way.

Of course, Japan is not without its structural problems. As I said at the outset, I will always say "No" to Japan when it is necessary. But Japan must also stand its ground and say "No" to the United States. Since we are talking about negotiations, Japan cannot simply allow itself to follow the pace set by the America[illegible]. Discussions must proceed from a position of equality. In the SII talks, if the United States makes an issue of Japan's structural problems, then I think it only fair that Japan make an issue of structural problems in the United States.

First, there is the issue of trade imbalance. All trade is business transacted in a free economy, the result of bargaining. The seller cannot force his goods onto the customer. If America imports a lot from Japan, then there are many Japanese products American consumers want to buy. If America exports little to Japan, then there are few things that Japanese consumers want to buy. If America would take this into consideration and look at it from Japan's point of view, I think they would have to take a closer look at things in greater detail. At the moment, only the statistics are at issue. The United States looks at the statistics, and says that the U.S.-Japanese imbalance has not improved. However, there are some things that have changed for the better, and some things that have changed for the worse.

What has changed for the better, for example, is consumer goods, like those produced by my company. From 1983 to 1988, U.S. imports of household electrical goods decreased 53 percent. The decrease in imports of televisions and radios over that 5-year period was 45 percent, and the decrease in imports of video decks was 31 percent. Imports of nondurable consumer goods like textiles fell 59 percent (on a yen basis).

Thus, American imports of Japanese durable and nondurable consumer goods showed about the same tendency to decrease. In spite of that, why has the trade imbalance not been rectified?

The reason is that imports of the semiconductors necessary for American industry and the memory devices and displays used in computers, and capital goods in general, have continued to increase. From 1983 to 1988, imports of all kinds of machinery increased 82 percent, and imports of electrical equipment increased 49 percent. Some specific examples: Imports of computers grew by 83 percent, IC's [integrated circuits] by 58 percent, and telecommunications equipment by 36 percent. American industries are importing these capital goods as components for their own high-tech products, or as equipment to produce their own products. Even in Boeing's 767 jet, all of the seats are made in Japan, the stereo and video equipment installed on board are made in Japan, and part of the fuselage is made in Japan. The acceleration center, an important part of the inertial navigation system is also made in Japan. The optical memory of the famous computer "NeXT," announced at the end of last year by Steve Jobs, is made in Japan.

The Fundamental U.S.-Japanese Balance of Payments Is Not Unbalanced

A basic distinction is made between capital goods and consumer goods. In the case of capital goods, quality is viewed as more important than price. For better or for worse, American manufacturing companies acknowledge that only Japanese companies supply the required parts and equipment, and respond to special orders. That's why they import capital goods from Japan. That means that over all, American imports will not decrease.

After the Japanese automobile market was liberalized, BMW and Mercedes Benz of West Germany made tremendous sales efforts, and increased their sales as a result. British cars, of course, also sell well in Japan. However, American car sales are not growing. Rather, Japanese car makers like Honda are setting up plants in the United States and are "reverse exporting" their cars to Japan. As a result, exports of the "Big Three" U.S. automakers have not increased. In fact, U.S. automakers have purchased about 300,000 cars from Isuzu and Mitsubishi, and are selling them under their own label. It is clear that if they have no desire to sell to Japan, and in fact are buying large numbers of Japanese cars, the result will be a tremendous imbalance.

If the United States really wanted to correct the imbalance, the U.S. car makers themselves would have to reduce their purchases from Japan. Whenever I have a chance, I like to tell U.S. Government officials that Japan has been making strenuous efforts, but American manufacturers must also make efforts. I ask them, why doesn't the U.S. Government tell American manufacturers to make their own products, instead of relying on Japan? However, the U.S. Government says that they can't tell the manufacturers what to do, since it would run counter to the free economy. At the same time that they say this, they tell the Japanese Government in the U.S.-Japanese trade negotiations to give foreign-made semiconductors a 20 percent share of the Japanese market. Or they tell Japanese makers to buy U.S. semiconductors. I wonder how can this be that they can give orders to Japanese companies, but they cannot give orders to U.S. companies?

I think that the United States and Japan should jointly analyze in detail what kinds of things are being bought in Japan, and what kind of things are being bought in the United States. As I touched upon earlier, American consumers are buying less from Japan than they did five years ago, but American industries are buying more. As long as the industry of one country depends on the industry of another, the imbalance will remain difficult to correct, even if the one country accuses the other of having a bad structure. At the same time that the United States points out the structural problems in Japan, I would like it to acknowledge the problems in its own industrial structure. In my opinion, the U.S.-Japanese SII talks can only bear fruit if this is done.

If one looks at U.S.-Japanese economic relations, one sees that the United States has a trade deficit. However, the fundamental balance of payments is not unbalanced, although everyone's attention is drawn to the trade balance. For example, my colleagues and I operate the record company CBS-Sony, and the American singer Michael Jackson's songs have been a great hit in Japan. So, we have to pay royalties. The same can be said for American movies shown in Japan. More people travel from Japan to the United States than the other way. A lot of money flows to the United States that does not appear in the trade figures. Not only that, but huge sums of money pour into the United States in the form of investments, so that last year, Japan's real balance of payments was a deficit.

It is not only goods that are moving in the world economy. It is strange that an issue is only being made of the "hardware," while no accounting is being made of the money being spent on the "invisible software." Especially in the United States, where service industries, the so-called "third wave," are growing, there is undoubtedly a considerable favorable balance in the area of software. Nonetheless, everyone aims their sights at the "hardware," in other words, goods, saying there is an imbalance, and something must be done about it. That's the present state of U.S.-Japanese relations.

Technonationalism Is an Anachronism

According to an article in the 4 August issue of the ASAHI SHIMBUN, the reason why an English translation of "The Japan That Can Say 'No'" was distributed at a Congressional hearing on HDTV was "to use this book to emphasize the necessity of gaining U.S. Government support for the development of HDTV." There is no doubt that American industry leaders and U.S. congressmen both feel that the U.S. has fallen behind in the area of HDTV. In Japan, many companies, including NHK, looking into the future, have sunk huge sums of money into the development of HDTV. However, there are almost no U.S. companies that have done this. We have to conclude that Japan is way ahead of the game. Since television is the essence of electronics, a clamor is now being raised in the United States fearing that electronics will disappear from American industry. One U.S. congressman is reported to have said, "An industrialist came to me saying, 'Give me time and money' and we'll eventually overtake Japan."

Upon hearing this, many Americans will most likely think of the space race. In 1957, when the Soviets launched the first artificial satellite "Sputnik," Americans were jolted out of their complacency. It was a great shock for the country to realize that they had fallen behind in space exploration. President Kennedy gave a speech in which he said that the United States would send a man to the moon in the 1960's. Then, the Americans concentrated all of their efforts, primarily in NASA, until finally, in 1969, the Apollo mission landed on the moon. America showed that if it gets down to business, it can surpass even "Sputnik." The United States should be able to surpass Japan. However, since this is impossible for one company to do alone, the task requires a lot of money, such as was used in the case of NASA.

Since there are already a number of joint U.S.-Japanese projects, I have proposed the joint development of HDTV as one of them. It would be the opposite of the FSX project, since Japan would be the one supplying the technology. Of course, we would receive patent royalties at a reasonable price. After all, we Japanese have paid prodigious amounts in royalties for American technology. However, I don't think we will be receiving prodigious amounts of money for our technology.

The U.S. response to our proposal was slow. The Defense Department was doing research to determine whether or not HDTV would play a role in defense, and could spend as much as $30 million on the project. On the other hand, the U.S. budget director, Richard Darman, said

that HDTV would not have that big of a position in private industry over all. Others felt that it was going too far to make a big fuss and spend a lot of money on HDTV.

In the midst of all this there are those who say, "If we are beaten by Japan, that will be the end for us. I will stand at the forefront and lead in the fight to surpass Japan." Their battle cry is "We'll do it by ourselves. Let's shut out Japan."

I call such views nationalism, indeed, technonationalism. Technonationalism is the tendency to withdraw from the great game of technological development and technology transfer on a worldwide scale and to close oneself up in one's shell. As a result, the country's top level researchers become inward-looking, and the efficient use of talent and resources is retarded. On the back of technonationalism is the fear of technological colonialism. If a country accepts ideas from foreign countries too enthusiastically, it will become entirely dependent on the other country, and the energy of its domestic industry will be lost. However, the fear of technonationalism and technological colonialism is a question of emotion, rather than reason, and is not the final solution to the problem. It is quite difficult to persuade another person about one's feelings, but I want to tell Americans to look at Japan. For many years, Japan was a technological colony of the United States and Europe. While it was a colony, Japan absorbed the technology it had learned, and has now come this far. The transistor was invented in the United States. We Japanese obtained the license for the transistor and built radios. A technological colony is a special kind of school. We went to the wonderful school of the United States, paid our tuition, learned a variety of things, and graduated. I do not believe that America, which has served as a school for the people of the world, will now close its doors. It would be a shame if that were to happen. In response to the advocates of technonationalism, I say that science knows no national boundaries. With the exception of weapons technology, consumer technology goes beyond national boundaries. Patent rights provide the inventor with profits, and since there are patents, inventions will be protected. The spirit of the patent says, "pay money and use our invention." In other words, patents exist because there is no nationalism. Technology and nationalism are essentially contradictory. Patents are generally not sought for weapons technology, which is closely associated with nationalism. If a patent were taken out for a weapons system, then other countries would find out about the details of the technology. Technology and economy will become more open, and is, even now, starting to become borderless. I think people now realize that technonationalism is a regressive concept.

I once had the opportunity to speak at a gathering of a large number of famous foreign politicians. I told them that they were big-name politicians, but I am a businessman. Since politicians give top priority to the electoral districts they represent, they cannot ignore the will of their constituents. However, I have no electoral district. I have the feeling that I was "elected" only by offering products which the people of the world have gladly received. Also, our products have been selected by people from around the world who have different languages and cultures. In other words, my constituency is not a limited area, but is the entire world. I said this with both pride and self-discipline. I don't think that I shall ever forget that feeling.

Dangers Involved

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[Article by staff writer Kiyoshi Nagashige: "The Danger of Swinging Fists"]

[Text] American intellectuals and businessmen are talking about a book called "The Japan That Can Say 'No'" (published by Kobunsha), coauthored by Sony Chairman Akio Morita and Dietman Shintaro Ishihara. Some are saying that the fact that this influential politician, who wants to become Prime Minister, and Chairman Morita, are both encouraging "anti-Americanism" demonstrates that Japan is on the verge of change. However, when one looks into the basis for their arguments, the book itself seems to be nothing more than exaggerated expressions and bluff. Could it be that America is losing its composure?

It seems that quite a fuss is being made over this book. Returning from a lecture tour of the United States at the end of last week, Yukio Matsuyama, editor in chief of the ASAHI SHIMBUN, seemed to have had his fill. "Although I went to the United States to speak about the political situation in Japan, all of the questions I got after breakfast meetings and luncheons had to do with this book. They asked, why did Morita team up with Ishihara? I had been so busy writing my talks that I hadn't read the book, so I was really in a predicament. On top of that, it was the same in all of the nine places I visited."

Johei Kusumoto, president of Minolta America (New Jersey), seemed ready to jump out of his skin. "In business circles, this is really a disaster. American businessmen were shocked by Ishihara's view that if the United States becomes too troublesome, Japan could form an alliance with the Soviet Union. I've been asked, 'Is this how the Japanese really feel?' One sees Japanese products everywhere, and in an atmosphere of pent-up feelings, there are overly strong views about Japan. Then Sony buys Columbia Pictures. It's all rather unnerving."

The book is about how U.S.-Japanese relations should be, and is a reconstruction of conversations between the two men. The chapters are written alternately by Ishihara and Morita.

However, there are a lot of gaps in what Mr Ishihara has to say. For example, in what he says about the Soviet Union. In the introductory chapter, Mr Ishihara writes, "If, for example, Japan sold chips to the Soviet Union and stopped selling them to the United States, this would upset the entire military balance."

The explanation for this is as follows. Modern military strength is supported by computers. The pace of development of semiconductors, the heart of computers, is rapid, and is becoming increasingly sophisticated. However, only Japan can produce a 1-megabit chip which

packs the equivalent of 1 million transistors onto an area no larger than a fingernail. The reason why the United States and the Soviet Union are working toward arms limitation is that if military expansion continues, Japan could be in a position to pressure both sides.

That would seem to be encouraging talk for Japan, but Mr Ishihara is wide of the mark. The 1-megabit chip is, of course, also being produced by the United States, as well as by South Korea, West Germany, Britain, and France. South Korea has recently started domestic production, and the prices are continuing to fall. Fortunately, Japan, which is a world leader in mass production technology, will introduce a 4-megabit chip next spring, with Toshiba in the forefront. However, America's IBM has already completed a personal computer that uses a 4-megabit device. Japanese makers can match this, but some take the view that, "Even if we continue at the same pace and go as far as 64 megabits (designing a circuit with 64 million circuits), we're worried about what happens after that. It all depends on the United States."

Mr Ishihara recently wrote an article in the November issue of BUNGEI SHUNJU titled "No is No," which coauthor Morita has praised. After all, the book is his handiwork as well. In the article, Mr Ishihara says, "For example, it was a young specialist in electronics...who informed me that if superconductivity, which only Japan is developing, is perfected...and if Japan patents the manufacturing processes for these products, Japan will be able to control the world economy. I learned that the new system of technology will have a decisive impact...and most Japanese and Americans are not aware that Japan already has the potential for such a new civilization...."

World Hegemony Is Impossible With High-Tech

Mr Ishihara wrote of world hegemony, but there is a contrary view. According to one commentator, "The fact that he wrote in such a manner shows that he is a Don Quixote. I wonder if he knows the true situation?"

According to Yukio Shimura, of the Industrial Research Council, which issued the "Industrial Technology White Paper" last year, out of a list of 40 commercialized high-tech products, Japan equals or excels the United States in 36. The products that are left are aircraft engines, satellite-launching rockets, nuclear magnetic resonance imaging devices that use superconductivity, and databases. However, when it comes to 47 fundamental fields of technology, the only field where Japan is ahead is ferromagnetic materials. That means Japan is behind in 39 fields. Even in the field of superconductivity, Professor Shoji Tanaka is working hard and making progress, but it is the United States that will make the big discoveries.

Professor Shoji Tanaka, professor emeritus at Tokyo University and head of the Superconductivity Engineering Research Laboratory, has this to say: "Undoubtedly, superconductivity will change the future, but I don't think there is anyone who thinks that superconductivity can be used to rule the world."

If one follows Ishihara's logic, then Britain, the birthplace of Faraday, would have a monopoly on electricity, and the rest of the world would be in darkness.

It seems that what most surprised Japanese-hands in Washington was the strong anti-American feeling coming from the two authors. Mr Ishihara's unreserved chapter title "Racial Prejudice Is at the Root of Japan Bashing" is evidence of this in black-and-white.

"(The United States dropped the atomic bomb on Japan) because it was Japan. If one asked Americans if that is true, they will evade the question. However, the bomb was dropped on Japan. This is a fact that we should bear in mind."

"Since Americans are honest, they will admit to the existence of racial prejudice if they are pressed on the subject. However, I think that they must also realize that racial prejudice is wrong."

Then there was the incident in which the Maritime Safety Agency patrol boat Uraga fired a training missile at the missile destroyer Towers in November of last year. The captain was strongly censured, but there was considerable difference of opinion on the incident among members of the Diet. Some Dietmen felt that it was really the "Nii Affair." When Dietman Nii ran for election for the first time from the second district in Tokyo, Mr Ishihara's district, Mr Ishihara's first secretary at that time attached stickers to Mr Nii's campaign posters reading "He became a naturalized Japanese citizen from North Korea in 1966." Mr Nii certainly did change his citizenship in that year from South Korea to Japan. People were very surprised by the action of the Ishihara camp.

It was reported that the Ministry of Foreign Affairs tried to cover up the Towers affair, but according to Tatsuo Arima, director of the Ministry of Foreign Affairs North American Affairs Bureau, "That's nonsense. Why would it be necessary to hide it? Use common sense."

Mr Ishihara, who was the minister of transport at the time of the incident, strongly criticized the Ministry of Foreign Affairs at a press conference. Immediately after that, there was a vociferous exchange between officials of the Ministry of Transport and the Ministry of Foreign Affairs, but the end results are not clear. I suppose that Mr Arima has some complaints against the Ministry of Foreign Affairs.

An Accurate Translation Would Have Solved the Problem

One division head at the Ministry of Foreign Affairs had this to say: "People should think more seriously about the meaning of 'racial prejudice.' The United States has already taken in 700,000 Vietnamese refugees. Japan has taken in 3,000. Moreover, most recent public opinion is calling for not taking in any Vietnamese. The chairman of the world's largest soft drink company, the Coca-Cola Company, is the son of a Cuban refugee. Before Mr Morita makes a statement like 'It may well be that racial problems are at the root of the situation, as Mr Ishihara has said,' Sony should welcome some refugees from Vietnam or China."

Mr Morita finally came out with a statement like that only after Mr Ishihara has gone public with his views. In their joint book, they criticize both Japan and the United States, but the tone of the book seems to be not much more than idle chatter. For example, Mr Morita writes, "I have an American friend who is always criticizing Japan for being 'unfair'...[when we went to the golf course] I pulled out my MacGregor golf club, and my friend had a Yonex club. When I criticized him for using Japanese clubs since he had been telling everyone not to buy Japanese clubs, he responded that he can hit the balls better with these clubs."

After their game of golf, the two went to the home of Mr Morita's friend. All Mr Morita saw there were Japanese products. Of course, the television and AV equipment were made by Sony.

In the book, Mr Ishihara emphasizes the U.S.-Japanese negotiations relating to the FSX decision. However, according to Junji Okada, a staff writer for "Aera" who is knowledgeable about military matters, "It's pretty much as Mr. Ishihara wrote. Even officials of the Ministry of Foreign Affairs call what happened in the FSX affair 'a national dishonor.' The Defense Agency and Mitsubishi Heavy Industries are both disgusted with the United States."

What Mr Ishihara resents is the secret arrangements made by both countries. "Japan will give all of its technology to the United States free of charge, while Japan will have to pay patent royalties and licensing fees to the United States."

According to Takaaki Yamada, vice president of Mitsubishi Heavy Industries, "That's not exactly the way it is. Common sense will tell you that there is no reason for Japan to hand over its technology for nothing. Of course, we will receive compensation. Not only that, but there are advantages to joint development, which is something that is not well understood."

I suppose that since he was involved in the agreement, there are some things Mr Yamada cannot say, but one wonders why he is so negative about Mr Ishihara's statements.

In conclusion, I would like to quote Makoto Kuroda, former deputy vice minister of MITI, a dyed-in-the-wool bureaucrat like Mr Ishihara: "In the final analysis, a lot of misunderstanding could have been avoided if there had been an authoritative English translation." It seems a shame that all of this has turned out to be a fruitless controversy.